

EXHIBIT “A”

PACIFIC GAS AND ELECTRIC COMPANY

Wholesale Distribution Tariff (WD Tariff)

FERC Electric Tariff Volume No. 4

Effective June 5, 2018

Table of Contents

1.	Preamble and Applicability.....	7
1.1	Preamble.....	7
1.2	Applicability.....	7
2.	Definitions.....	8
2.1	Application.....	8
2.2	CIAC	8
2.3	Commission.....	9
2.4	Completed Application	9
2.5	Control Area.....	9
2.6	CPUC	9
2.7	Curtailment.....	10
2.8	Delivering Party	10
2.9	Delivery Voltage	10
2.10	Designated Agent	10
2.11	Direct Assignment Facilities	10
2.12	Distribution Customer	10
2.13	Distribution Facilities	10
2.14	Distribution Provider	11
2.15	Distribution Service.....	11
2.16	Eligible Customer	11
2.17	Facilities Study	12
2.18	Generation	12
2.19	Good Utility Practice	12
2.20	Intervening Distribution Facilities.....	12
2.21	ISO.....	12
2.22	ITCC	13
2.23	KVAR Demand	13
2.24	kW Demand.....	13
2.25	Load Ratio Share	13
2.26	Load Shedding.....	13
2.27	Native Load Customers	13
2.28	Parties	14
2.29	Point(s) of Delivery	14

2.30	Point(s) of Receipt	14
	[DELETED]	14
2.31	Power Purchaser	14
2.32	Receiving Party.....	14
2.33	Regional Transmission Group (RTG)	14
2.34	Reserved Capacity	15
2.35	Service Agreement	15
2.36	Service Commencement Date	15
2.37	System Impact Study	15
2.38	Third-Party Sale.....	15
2.39	Transmission System.....	15
3.	Ancillary Services	16
4.	(Not Used).....	16
5.	Billing and Payment.....	16
5.1	Billing Procedure.....	16
5.2	Interest on Unpaid Balances.....	16
5.3	Customer Default	16
6.	Regulatory Filings.....	17
7.	Uncontrollable Force and Indemnification	17
7.1	Uncontrollable Force.....	17
7.2	Occurrence of Uncontrollable Force	18
7.3	Liability for Damages.....	18
7.4	Exclusion of Certain Types of Loss	19
7.5	Distribution Customer Indemnity	19
8.	Creditworthiness	19
9.	Dispute Resolution Procedures	20
9.1	Internal Dispute Resolution Procedures	20
9.2	External Arbitration Procedures	20
9.3	Arbitration Decisions	21
9.4	Costs	21
9.5	Rights Under The Federal Power Act	21
10.	Governing Law	22
11.	PG&E's Distribution System	22
12.	Nature of Distribution Service	22

12.1	(Not Used)	22
12.2	Term and Termination	22
12.2.1	Term	22
12.2.2	Termination of a Service Agreement	22
12.2.3	Termination of a Service Agreement for Non-Usage	23
12.2.4	Termination of Distribution Service to Intermittent End-use Customer Loads.....	25
12.2.5	Loads Exempted from Usage Requirements.....	25
12.3	Reservation Priority	25
12.4	(Not Used)	26
12.5	Service Agreements	26
12.6	Distribution Customer Obligation for Additions or Redispatch.....	27
12.7	Load Shedding and Curtailment of Distribution Service	27
12.8	Classification of Distribution Service.....	28
12.9	(Not Used)	29
12.10	Self Provision of Ancillary Services	29
12.11	Conflict With ISO Tariff	29
12.12	Conflicting Operating Instructions	29
13.	Service Availability	30
13.1	General Conditions	30
13.2	Determination of Available Distribution Capability	30
13.3	Initiating Service Without an Executed Service Agreement	30
13.4	Obligation to Expand or Modify the Distribution System	31
13.5	(Not Used)	31
13.6	(Not Used)	31
13.7	Deferral of Service.....	31
13.8	Other Distribution Service Schedules.....	31
13.9	Real Power Losses	31
14.	Distribution Customer Responsibilities	32
14.1	Conditions Required of Distribution Customers	32
14.2	Intervening Facilities Requirements	33
14.2.1	Intervening Facilities	33
14.2.2	Ownership of Intervening Facilities.....	34
14.2.3	Control of Intervening Facilities	35
14.3	Responsibility for Third-Party Arrangements	35

15.	Procedures for Arranging Distribution Service	36
15.1	Application	36
15.2	Completed Application.....	37
15.3	Service Initiation Fee.....	38
15.4	Response to an Application	39
15.5	Response to a Completed Application.....	40
15.5.1	Rejection of a Point of Delivery Related to Grandfathering or Intervening Facilities 41	
15.6	Execution of Service Agreement.....	43
15.7	Extensions for Commencement of Service	44
16.	Additional Study Procedures For Distribution Service	46
16.1	Notice of Need for System Impact Study	46
16.2	System Impact Study Agreement and Cost Reimbursement.....	46
16.3	System Impact Study Procedures	47
16.4	Facilities Study Procedures	48
16.5	Facilities Study Modifications.....	49
16.6	(Not Used)	50
16.7	Due Diligence in Completing New Facilities	50
16.8	Partial Interim Service	50
16.9	Expedited Procedures for New Facilities	50
17.	If Distribution Provider Cannot Complete New Facilities	51
17.1	Delays in Construction of New Facilities.....	51
17.2	Alternatives to the Original Facility Additions	51
17.3	Refund Obligation for Unfinished Facility Additions	52
18.	(Not Used).....	52
19.	Changes in Service Specifications	52
20.	Metering and Power Factor Correction.....	53
20.1	Metering and Communications Equipment.....	53
20.2	Access to Metering Data.....	53
20.3	Distribution Customer Obligations.....	54
20.4	Power Factor.....	54
21.	Compensation for Distribution Service	54
22.	Stranded Cost Recovery.....	55
23.	Compensation for New Facilities and Redispatch Costs	55

24. Standards of Conduct	55
SCHEDULE WD-1: Distribution Service	56
ATTACHMENT A: Form Of Service Agreement For Wholesale Distribution Service.....	59
ATTACHMENT B: Methodology To Assess Available Distribution Capability	75
ATTACHMENT C: Methodology for Completing a System Impact Study	78
ATTACHMENT D: Wholesale Distribution Losses	79
ATTACHMENT E: Small Generator Interconnection Procedures (SGIP)	82
Attachment 1	101
Attachment 2	105
Attachment 3	115
Attachment 4	117
Attachment 5	119
Attachment 6	131
Attachment 7	136
Attachment 8	141
ATTACHMENT F: Small Generator Interconnection Agreement (SGIA)	147
ATTACHMENT G: Large Generator Interconnection Procedures (LGIP)	205
Appendix 1 to LGIP	255
Appendix 2 to LGIP	264
Appendix 3 to LGIP	274
Appendix 4 to LGIP	284
Appendix 5 to LGIP	296
Appendix 6 to LGIP	305
Appendix 7 to LGIP	306
ATTACHMENT H: Large Generator Interconnection Agreement (LGIA).....	307
ATTACHMENT I: Generator Interconnection Procedures (GIP).....	412
Attachment 1	538
Attachment 2	557
Appendix A To GIP Attachment 2 Interconnection Request	562
Attachment 3	580
Attachment 4	582
Attachment 5	584
Attachment 7 to the Generator Interconnection Procedures	609
Attachment 8	616

1. Preamble and Applicability

1.1 Preamble

Through its Transmission Owner (TO) Tariff, PG&E makes transmission service available to Wholesale Customers through the ISO. On occasion, an Eligible Customer who has transmission service under the TO Tariff, or has an equivalent arrangement with the ISO, may require Distribution Service.

The Distribution Provider will provide Distribution Service to loads pursuant to the applicable terms and conditions of this Tariff. Distribution Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

1.2 Applicability

Distribution Service is available to wholesale entities taking transmission service through the ISO to:

- × new Distribution Customers which request Distribution Service; and
- × existing Distribution Customers which request new Distribution Service or service to additional Point(s) of Receipt or Delivery.

The provisions of this Tariff are designed with the presumption that the Eligible Customer is operating with the ISO model. Specifically, that assumes that the required ancillary services, if any, are provided by, or through the Eligible Customer's arrangements with the ISO, and transmission services have been separately and satisfactorily arranged.

The Distribution Provider will provide Distribution Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement. The Tariff is applicable for the transportation of capacity and energy that is 1) generated or purchased by a Distribution Customer at a generation source and transported to the ISO Grid using the Distribution

Provider's Distribution System, or 2) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Service Area using the Distribution Provider's Distribution System. The Tariff is also applicable for delivery to the ISO Grid of any capacity and energy generated or purchased by the Distribution Provider that uses the Distribution Provider's Distribution System. Distribution Service shall be provided between the Distribution Provider's interconnection with the ISO Grid and the Distribution Customer's interconnection with the Distribution Provider's Distribution System. The Distribution Customer shall obtain and pay for Transmission Service from the ISO for such energy and capacity delivered to the ISO Grid or for energy and capacity received from the ISO Grid pursuant to the terms and conditions of the ISO Tariff and the TO Tariff. Service hereunder shall not be available if the Commission would be prohibited from ordering such service under Section 212(h) of the Federal Power Act.

NOTE: An existing retail customer who becomes a Direct Access customer is not a wholesale customer and is not eligible for service under this Tariff, and must seek service under the applicable CPUC service. The Tariff is applicable for the delivery of generation of the Distribution Customer or the Distribution Provider to the ISO Grid using the Distribution Provider's Distribution System.

2. Definitions

2.1 Application

A request by an Eligible Customer for Distribution Service pursuant to the provisions of this Tariff.

2.2 CIAC

Contribution In-Aid-Of-Construction is all property, including money, received by PG&E from an Eligible Customer to provide for the installation, improvement, replacement, or expansion of PG&E facilities.

2.3 Commission

The Federal Energy Regulatory Commission.

2.4 Completed Application

An Application that satisfies all of the information requested in Section 15.2, and other requirements of this Tariff, including payment of the required service initiation fee, and that has been deemed complete by the Distribution Provider. The Distribution Provider shall not deem an Application incomplete on the grounds that the Distribution Provider does not believe sufficient evidence of Grandfathering (as defined in Section 14.1.1), intervening facilities, or ownership or control of Intervening Facilities, has been provided to demonstrate that the Commission would not be prohibited by Section 212(h)(2)(B) of the Federal Power Act from ordering the requested service.

2.5 Control Area

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

2.6 CPUC

The California Public Utilities Commission.

2.7 Curtailment

A reduction in Distribution Service in response to a capacity shortage as a result of system reliability conditions.

2.8 Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

2.9 Delivery Voltage

The voltage at which the electric power is delivered by PG&E to the wholesale Distribution Customer. Delivery to one specified point constitutes one rendering of Distribution Service.

2.10 Designated Agent

Any entity that performs actions or functions on behalf of the Distribution Provider, an Eligible Customer, or the Distribution Customer required under this Tariff.

2.11 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Distribution Provider for the sole use/benefit of a particular Distribution Customer requesting service under this Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Distribution Customer.

2.12 Distribution Customer

Any Eligible Customer that submits a Completed Application and (i) executes a Service Agreement, or (ii) requests in writing that the Distribution Provider file with the Commission, a proposed unexecuted Service Agreement to receive service under this Tariff.

2.13 Distribution Facilities

Electrical equipment consisting of poles, conduit, splice boxes, conductors and devices, operating at less than 50 kV, used for distributing electrical energy. EXCEPTION: Those

transmission facilities (50 kV and above) which radially supply end-use customers at transmission voltages shall also be considered Distribution Facilities for purposes of this Tariff, as ordered by the Commission in its October 30, 1996 order in Docket No. EL96-48-000.

2.14 Distribution Provider

Pacific Gas & Electric Company ("PG&E") or its Designated Agent, that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides Distribution Service under this Tariff.

2.15 Distribution Service

The transporting of electric power over and through various PG&E facilities for delivery to a Distribution Customer. The Distribution Service provided under this Tariff is the distribution of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery under this Tariff.

2.16 Eligible Customer

For generating facilities: Any electric utility (including the Distribution Provider or any power marketer) or any person generating electric energy for sale for resale is an Eligible Customer under this Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico.

For load entities: Any electric utility as defined in Section 3(22) of the Federal Power Act (16 USC § 796(22)), (including the Distribution Provider) or Federal Power Marketing Agency, provided, that any entity applying for service to serve retail customers must be authorized by California or Federal law to furnish, sell, or distribute electric energy to retail customers and must have obtained applicable regulatory approvals, if any, to provide such service. With respect to Distribution Service that the Commission would otherwise be prohibited from ordering by Section 212(h) of the Federal Power Act (16 USC § 824k(h)), such service shall be provided only if provided pursuant to a state requirement that the Distribution Provider offer the Distribution Service, or pursuant to a voluntary offer of such service by the Distribution Provider.

2.17 Facilities Study

An engineering study conducted by the Distribution Provider to determine the required modifications to the Distribution Provider's Distribution Facilities, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Distribution Service.

2.18 Generation

The capacity and output of any generating facility connected to the distribution system that can deliver energy to the ISO.

2.19 Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2.20 Intervening Distribution Facilities

(also “Intervening Facilities”) The Distribution Facilities that are installed between the Distribution Provider-owned Distribution Facilities and the Distribution Customer’s end-use customer’s load. The requirements for ownership or control of Intervening Facilities by the Distribution Customer are set forth in Section 14.1.1.

2.21 ISO

The Independent System Operator ordered by the CPUC and approved by the Commission to operate the interconnected transmission system in California.

2.22 ITCC

(Income Tax Component of Contributions) This is the Federal and State tax PG&E pays on income received as a CIAC.

2.23 KVAR Demand

The reactive power electrical demand determined for each 30-minute interval, measured in kilovars (KVARs), as having been delivered and integrated. If the load is intermittent or subject to wide fluctuation, a 5-minute interval may be used.

2.24 kW Demand

The real power electrical demand for each 30-minute interval, measured in kilowatts (kW) as having been delivered and integrated. If the load is intermittent or subject to wide fluctuation, a 5-minute interval may be used.

2.25 Load Ratio Share

Ratio of a Distribution Customer's load to the Distribution Provider's total load on specific facilities over a 12-month period used to determine rates in accordance with Schedule WD-1.

2.26 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations.

2.27 Native Load Customers

The wholesale and retail power customers of the Distribution Provider on whose behalf the Distribution Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Distribution Provider's system to meet the reliable electric needs of such customers.

2.28 Parties

The Distribution Provider and the Distribution Customer receiving service under this Tariff.

2.29 Point(s) of Delivery

Point(s) on the Distribution Provider's Distribution System where capacity and energy transmitted by the Distribution Provider will be made available to the Receiving Party under this Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Distribution Service.

2.30 Point(s) of Receipt

Point(s) of interconnection on the Distribution Provider's Distribution System where capacity and energy will be made available to the Distribution Provider by the Delivering Party under this Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Distribution Service.

[DELETED]

2.31 Power Purchaser

The entity that is purchasing the capacity and energy to be transmitted under this Tariff.

2.32 Receiving Party

The entity receiving the capacity and energy transmitted by the Distribution Provider to Point(s) of Delivery.

2.33 Regional Transmission Group (RTG)

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

2.34 Reserved Capacity

The maximum amount of capacity and energy that the Distribution Provider agrees to transmit for the Distribution Customer over the Distribution Provider's Distribution System between the Point(s) of Receipt and the Point(s) of Delivery under this Tariff. Reserved Capacity shall be expressed to the nearest tenth of a megawatt on a thirty (30) minute interval (commencing on the clock hour and half-hour) basis.

2.35 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Distribution Customer and the Distribution Provider for service under this Tariff. See Attachment A to this Tariff.

2.36 Service Commencement Date

The date the Distribution Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Distribution Provider begins to provide service in accordance with Section 13.3 under this Tariff.

2.37 System Impact Study

An assessment by the Distribution Provider of (i) the adequacy of the Distribution Facilities to accommodate a request for Distribution Service and (ii) whether any additional costs may be incurred in order to provide Distribution Service.

2.38 Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser.

2.39 Transmission System

The facilities owned by the Distribution Provider and controlled by the ISO that are used to provide transmission service under the ISO Tariff.

3. Ancillary Services

Ancillary Services are needed with all transmission service to maintain reliability within the ISO Grid and the Distribution System. Ancillary Services are not available in or through this Tariff. The Distribution Service offered in this Tariff is conditioned on the Distribution Customer having obtained Ancillary Services pursuant to the ISO Tariff, which includes self-provision.

4. (Not Used)

5. Billing and Payment

5.1 Billing Procedure

Within a reasonable time after the first day of each month, or at some other mutually agreeable time, the Distribution Provider shall submit an invoice to the Distribution Customer for the charges for all services furnished under this Tariff during the preceding month. The invoice shall be paid by the Distribution Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Distribution Provider, or by wire transfer to a bank named by the Distribution Provider.

5.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Distribution Provider.

5.3 Customer Default

In the event the Distribution Customer fails, for any reason other than a billing dispute as described below, to make payment to the Distribution Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Distribution Provider notifies the Distribution Customer to cure such failure, a default by the Distribution Customer shall be deemed to exist. Upon the occurrence of a default, the

Distribution Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Distribution Provider and the Distribution Customer, the Distribution Provider will continue to provide service under the Service Agreement as long as the Distribution Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Distribution Customer fails to meet these two requirements for continuation of service, then the Distribution Provider may provide notice to the Distribution Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

6. Regulatory Filings

Nothing contained in this Tariff or any Service Agreement shall be construed as affecting in any way the right of the Distribution Provider to make application unilaterally to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in this Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under this Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7. Uncontrollable Force and Indemnification

7.1 Uncontrollable Force

An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the Distribution Provider or Distribution Customer which could not be avoided through the exercise of Good Utility Practice. Neither the Distribution Provider or Distribution Customer will be considered in default of any

obligation under this Tariff if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force.

7.2 Occurrence of Uncontrollable Force

In the event of the occurrence of an Uncontrollable Force, which prevents the Distribution Provider or Distribution Customer from performing any of its obligations under this Tariff, the affected entity shall (i) if it is the Distribution Provider, immediately notify the Distribution Customer in writing of the occurrence of such Uncontrollable Force and, if it is a Distribution Customer, immediately notify the Distribution Provider in writing of the occurrence of such Uncontrollable Force, (ii) not be entitled to suspend performance of its obligations under this Tariff in any greater scope or for any longer duration than is required by the Uncontrollable Force, (iii) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform and resume full performance of its obligations hereunder, (iv) in the case of the Distribution Provider, keep the Distribution Customer apprised of such efforts, and in the case of the Distribution Customer, keep the Distribution Provider apprised of such efforts, in each case on a continual basis and (v) provide written notice of the resumption of its performance of its obligations hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the entity involved in such strike, lockout or labor dispute and the requirement that an entity must use its best efforts to mitigate the effects of the Uncontrollable Force and/or remedy its inability to perform and resume full performance of its obligations hereunder shall not apply to strikes, lockouts, or labor disputes.

7.3 Liability for Damages

The Distribution Provider shall not be liable in damages to any Distribution Customer for any losses, damages, claims, liability, costs or expenses (including legal expenses) arising from the performance or non-performance of its obligations under this Tariff, except to the extent that they result from negligence or intentional wrongdoing on the part of the Distribution Provider.

7.4 Exclusion of Certain Types of Loss

The Distribution Provider shall not be liable to any Distribution Customer under any circumstances for any consequential or indirect financial loss including but not limited to loss of profit, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill except to the extent that it results from negligence or intentional wrongdoing on the part of the Distribution Provider.

7.5 Distribution Customer Indemnity

Each Distribution Customer, to the extent permitted by law, shall indemnify the Distribution Provider and hold it harmless against all losses, damages, claims, liabilities, costs or expenses (including legal expenses) arising from any act or omission of the Distribution Customer except to the extent that they result from the Distribution Provider's default under this Tariff or negligence or intentional wrongdoing on the part of the Distribution Provider or of its officers, directors or employees

8. Creditworthiness

For the purpose of determining the ability of the Distribution Customer to meet its obligations related to service hereunder, the Distribution Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Distribution Provider may require the Distribution Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Distribution Customer and acceptable to the Distribution Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Distribution Provider against the risk of non-payment. The Distribution Provider will determine on a non-discriminatory basis whether security will be required. Absent a material adverse change in the creditworthiness of the Distribution Customer, security will not be required where the Distribution Customer has previously established its creditworthiness pursuant to a tariff, rate schedule, or service contract for service provided by the

Distribution Provider, and has not defaulted on its obligation under that applicable tariff or rate schedule.

9. Dispute Resolution Procedures

9.1 Internal Dispute Resolution Procedures

Any dispute between a Distribution Customer and the Distribution Provider involving Distribution Service under this Tariff (excluding applications for rate changes or other changes to this Tariff, or to any Service Agreement entered into under this Tariff, which shall be presented directly to the Commission for resolution and excluding a Distribution Provider rejection of an Application for service that is subject to the procedures set forth in Section 15.5) shall be referred to a designated senior representative of the Distribution Provider and a senior representative of the Distribution Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

9.2 External Arbitration Procedures

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission, distribution and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules. Where a dispute involves facts and issues that are the subject of a dispute pending

under the ISO Tariff or the TO Tariff ADR Procedures, the dispute may be consolidated with the other pending proceeding(s) by the agreement of the parties to the dispute, which agreement shall not be unreasonably withheld.

9.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Tariff and any Service Agreement entered into under this Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The arbitration decision shall be based on (i) the evidence in the record, (ii) the terms of this Tariff, (iii) applicable United States federal law, including the FPA and any applicable FERC regulations and decisions, and international treaties or agreements as applicable, and (iv) applicable state law. The decision of the arbitrator(s) may be appealed solely on the grounds set forth in California Law. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

9.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (B) one half the cost of the single arbitrator jointly chosen by the Parties.

9.5 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

10. Governing Law

Except as otherwise provided by federal law, this Tariff shall be governed by and construed in accordance with, the laws of the state of California.

11. PG&E's Distribution System

The distribution system broadly consists of the stepdown substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors. The provisions of this Tariff applies to service on this distribution system.

12. Nature of Distribution Service

12.1 (Not Used)

12.2 Term and Termination

12.2.1 Term

Unless otherwise agreed or unless terminated earlier pursuant to Section 12.2.2, the Service Agreement shall have a “standard term” of five (5) years, with automatic renewals for successive five-year periods thereafter, unless either Party provides advance written notice of its intention to terminate service. Notwithstanding the foregoing, the minimum term of Distribution Service shall be one day and, if the Distribution Customer desires a term other than the standard term, the Distribution Customer may request such term in its Application and such term shall be specified in the Service Agreement.

12.2.2 Termination of a Service Agreement

The Distribution Customer may at any time direct the Distribution Provider to file for termination of a Service Agreement with the Commission. Within ninety (90) days from receipt of such notice, the Distribution Provider shall make such a filing. Except in the case of periods where the Distribution Customer stops taking service under its Service Agreement (or at a Point

of Delivery) for a continuous period of eighteen (18) months or longer as provided in Sections 12.2.3, 12.2.4 and 12.2.5, the Distribution Provider must provide to the Distribution Customer ninety (90) days advance written notice of its intention to file with the Commission to terminate service, and may only terminate for good cause, or in the case of a significant regulatory change or significant operational change. In the case of a significant regulatory or operational change, the Distribution Provider must make a reasonable offer to continue to provide Distribution Service to the Distribution Customer consistent with the regulatory or operational change.

12.2.3 Termination of a Service Agreement for Non-Usage

If the Distribution Customer stops taking Distribution Service under its Service Agreement (or at a Point of Delivery under its Service Agreement) for a continuous period of eighteen (18) months or longer, as evidenced by the absence of any metered load for eighteen (18) consecutive months for which a Distribution Charge would apply, the Distribution Provider may provide written notice of its intent to terminate the Distribution Service to that Service Agreement (or Point of Delivery under its Service Agreement) within no less than sixty (60) days. Such notice shall request that the Distribution Customer, within sixty (60) days, either (a) reinstate service, as described below, or (b) pay a Reservation Fee in order to reserve capacity for an additional twelve (12) months. The Reservation Fee shall be equal to the greater of (i) 25% of the average annual revenues calculated using the total annual revenues from each of the preceding five (5) years of service as the historic basis for calculating average annual (excluding the period of eighteen (18) months with no metered load from the calculation of average revenues) or (ii) the highest revenue month from that five-year period. If the Distribution Customer has not been operational for five (5) years or more, all of the Distribution Customer's historic revenues will be used to calculate the annual average (excluding the period of eighteen (18) months with no metered load from the calculation of average revenues). The notice will include the amount of the Reservation Fee as well as supporting calculations.

Subject to Sections 12.2.4 and 12.2.5, a failure by the Distribution Customer to (a) reinstate service as soon after the Distribution Provider's termination notice as reasonably practicable, but in no event later than the end of the sixty (60) day-termination notice period or (b) submit the Reservation Fee within the sixty (60) day-termination notice period will result in

termination of the Distribution Customer's Service Agreement (or Point of Delivery under its Service Agreement), subject to approval or acceptance by the Commission.

If, after reserving capacity by timely payment of the Reservation Fee, the Distribution Customer has not reinitiated Distribution Service during that reservation period, i.e., the twelve (12) consecutive months immediately following the Distribution Provider's termination notice, the Distribution Customer may submit another Reservation Fee in the same amount to maintain the Service Agreement beyond the original reservation period or reinitiate service. The Distribution Provider shall invoice the Distribution Customer during the last month of the original reservation period. Within sixty (60) days after the start of the second 12-month reservation period, the Distribution Customers must submit the second Reservation Fee or reinitiate service. A failure to reinitiate service or submit the second Reservation fee within the sixty (60) days will result in termination of the Service Agreement (or Point of Delivery under its Service Agreement), subject to approval or acceptance by the Commission.

If the Distribution Customer does not reinitiate Distribution Service during the second 12-month reservation period (i.e., twenty-four (24) consecutive months after the Distribution Provider's termination notice), the Distribution Customer's Service Agreement (or Point of Delivery under its Service Agreement) shall be terminated, subject to approval or acceptance by the Commission. Any Reservation Fee collected by the Distribution Provider will be applied to the Distribution Charges incurred by the Distribution Customer during the 12-month reservation period for which a particular Reservation Fee is paid. The Distribution Customer shall forfeit the Reservation Fee if service does not reinitiate during the reservation period for which a particular Reservation Fee is paid. Furthermore, to the extent that the Distribution Customer takes limited service during a year for which it has paid a Reservation Fee, the Distribution Customer shall forfeit any unused portion of the Reservation Fee that is not applied to service during the 12-month reservation period.

Points of Delivery identified by the Distribution Customer in its Application as multiple feeds to one service location in a multiple feed service configuration, including redundant, standby, or back up service, will be viewed together as a single feed for purposes of this Section 12.2.3.

12.2.4 Termination of Distribution Service to Intermittent End-use Customer Loads

A Distribution Customer with demonstrable intermittent end-use customer load at a Point of Delivery, including but not limited to load such as agricultural and other pumps and other demonstrable intermittent end uses, may be permitted to reserve capacity without taking service under its Service Agreement for periods up to forty-eight (48) total months after the Distribution Provider's termination notice by continuing to pay an annual Reservation Fee as set forth in Section 12.2.3.

12.2.5 Loads Exempted from Usage Requirements

Points of Delivery identified by the Distribution Customer in its Application as single feeds to loads that are only used for reliability, safety/security, emergency or essential services, such as services related to fire protection, police alert, sewage or storm pumps are exempt from usage requirements (no service termination based on usage levels).

Notwithstanding this exemption, the Distribution Customer may at any time direct the Distribution Provider to file for termination of its Service Agreement (or Point of Delivery under its Service Agreement) with the Commission. Within ninety (90) days from receipt of such notice, the Distribution Provider shall make such a filing.

12.3 Reservation Priority

Distribution Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which the Distribution Provider has deemed each Distribution Customer Application as complete. Reservations for Distribution Service will be conditional based upon the length of the requested transaction. If the Distribution Provider's Distribution Facilities become oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Distribution Service will be

granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours from being notified by the Distribution Provider of a longer-term competing request for Distribution Service. After the conditional reservation deadline, service will commence pursuant to the terms of this Tariff.

12.4 (Not Used)

12.5 Service Agreements

The Distribution Provider shall offer a draft of the standard form Distribution Service Agreement (Attachment A) to an Eligible Customer within ninety (90) days after the Distribution Provider deems the Customer's Application to be complete, provided that the Distribution Provider determines that a System Impact Study is not required. In cases where a System Impact Study is required, the provisions of Sections 15 and 16 will govern the timing of the tender of the draft Service Agreement by the Distribution Provider.

For any point of delivery that is moving from an existing Service Agreement under this Tariff to service under a new Service Agreement under this Tariff, the Distribution Provider will offer a draft of the new Service Agreement within sixty (60) days of receiving a Completed Application so long as the requirements under the new Service Agreement do not trigger a System Impact or Facilities Study, modification to the Distribution Provider's Distribution Facilities, or new Intervening Facilities.

Executed Service Agreements that contain the information required under this Tariff shall be reported to or filed with the Commission in compliance with applicable Commission regulations.

In addition to executing a Service Agreement, an Eligible Customer requesting distribution service for a load interconnection under this Tariff shall also be required to execute a distribution interconnection agreement with the Distribution Provider. The interconnection agreement will contain the terms and conditions for the physical interconnection of the facilities of the Eligible Customer and the Distribution Provider and provide for the safe and reliable

operation and maintenance of, and the rights and responsibilities associated with, the interconnection facilities.

12.6 Distribution Customer Obligation for Additions or Redispatch

In cases where the Distribution Provider determines that its Distribution Facilities are not capable of providing Distribution Service without (1) degrading or impairing the reliability of service to Native Load Customers, or other Distribution Customers taking Distribution Service, or (2) interfering with the Distribution Provider's ability to meet prior firm contractual commitments to others, the Distribution Provider will be obligated to expand or upgrade its Distribution Facilities pursuant to the terms of Section 13.4. The Distribution Customer must agree to compensate the Distribution Provider for any necessary distribution facility additions pursuant to the terms of Section 23. To the extent the Distribution Provider can relieve any system constraint more economically by redispatching (i.e., distribution switching or load transfers) the Distribution Provider's resources than through constructing upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Distribution Provider pursuant to the terms of Section 23. Any redispatch, upgrade or Direct Assignment Facilities costs to be charged to the Distribution Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

12.7 Load Shedding and Curtailment of Distribution Service

In the event that a Curtailment on the Distribution Provider's system, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Distribution Provider will curtail service to Distribution Customers taking Distribution Service on a basis comparable to the curtailment of service to the Distribution Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis. When the Distribution Provider determines that an electrical emergency exists on its Transmission or Distribution Systems and implements emergency procedures to curtail Distribution Service, the Distribution Customer shall make the required reductions upon request

of the Distribution Provider. However, the Distribution Provider reserves the right to curtail, in whole or in part, any Distribution Service provided under this Tariff when, in the Distribution Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission or Distribution Systems. The Distribution Provider will notify all affected Distribution Customers in a timely manner of any scheduled Curtailments.

12.8 Classification of Distribution Service

- (a) The Distribution Customer taking Distribution Service may request a modification of the Point(s) of Receipt or Delivery on a firm basis pursuant to the terms of Section 19.
- (b) The Distribution Customer may purchase Distribution Service to make sales of capacity and energy from multiple generating units that are on the Distribution Provider's Transmission System. For such a purchase of Distribution Service, the high voltage bus of the distribution substation will be designated as the Point of Receipt for purposes of this Tariff. If there are multiple generating units connected to the Distribution System, the resources will be designated as multiple Points of Receipt unless the multiple generating units are the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Distribution Provider shall provide deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which distribution capacity is reserved by the Distribution Customer shall be set forth in the Service Agreement along with a corresponding capacity reservation associated with each Point of Receipt. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Distribution Customer's Reserved Capacity. The Distribution Customer will be billed for its Reserved Capacity under the terms of Schedule WD-1. The Distribution Customer may not exceed its reserved capacity at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 19. The Distribution Provider shall specify the rate treatment and all related terms and conditions applicable in the event that

a Distribution Customer (including Third-Party Sales by the Distribution Provider) exceeds its reserved capacity at any Point of Receipt or Point of Delivery.

12.9 (Not Used)

12.10 Self Provision of Ancillary Services

Nothing in this Tariff is intended to limit a Distribution Customer in the self provision or sale of Ancillary Services, to the extent the Distribution Customer is eligible to self provide or sell Ancillary Services under the terms of the ISO Tariff or contracts, except when emergency conditions preclude such provision of ancillary services. Except to the extent that a Distribution Customer may be called upon to provide reactive power support consistent with the operations of the Distribution Provider, a Distribution Customer must maintain power factor at the interface between the Distribution Customer's facilities and the Distribution Provider's facilities pursuant to Section 20.4.

12.11 Conflict With ISO Tariff

If a Distribution Customer identifies a conflict between this Tariff and the ISO Tariff, the Distribution Provider and the Distribution Customer shall make good-faith efforts to resolve the conflict. If the Parties are unable to informally resolve the conflict, the Parties may use the Dispute Resolution Procedures set forth in Section 9 of this Tariff.

12.12 Conflicting Operating Instructions

In the event a Distribution Customer receives conflicting operating instructions from the ISO, one or more Participating TO(s), or the Distribution Provider, and, if human safety would not knowingly be jeopardized nor electric facilities subject to damage while the Distribution Customer seeks to reconcile the conflict with the appropriate ISO, Participating TO and/or Distribution Provider employees before acting, the Distribution Customer should attempt a reconciliation. Otherwise, the Distribution Customer shall adhere to ISO Tariff provisions 4.2.1 and 4.2.2 and follow the ISO's instructions. In no event shall a Distribution Customer be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

13. Service Availability

13.1 General Conditions

The Distribution Provider will provide Distribution Service over, on or across its Distribution Facilities to any Distribution Customer that has met the requirements of Section 14.

13.2 Determination of Available Distribution Capability

A description of the Distribution Provider's specific methodology for assessing available distribution capability is contained in Attachment B to this Tariff. In the event sufficient distribution capability may not exist to accommodate a service request, the Distribution Provider will respond by performing a System Impact Study.

13.3 Initiating Service Without an Executed Service Agreement

If after deeming the Application of an Eligible Customer complete, the Distribution Provider and the Distribution Customer requesting Distribution Service cannot agree on all the terms and conditions of the Service Agreement or the accompanying distribution interconnection agreement described in Section 12.5, which governs the interconnection of the Distribution Provider's and Distribution Customer's systems for Distribution Service, the Distribution Provider shall file with the Commission, within thirty (30) days after the date the Distribution Customer provides written notification directing the Distribution Provider to file, an unexecuted Service Agreement and accompanying distribution interconnection agreement containing terms and conditions deemed appropriate by the Distribution Provider for such requested Distribution Service. The Distribution Provider shall commence providing Distribution Service subject to the Distribution Customer's agreeing to (i) compensate the Distribution Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of this Tariff, including paying the appropriate service initiation fee in accordance with the terms of Section 15.3.

13.4 Obligation to Expand or Modify the Distribution System

If the Distribution Provider determines that it cannot accommodate a Completed Application for Distribution Service because of insufficient capability on its Transmission System or Distribution Facilities, the Distribution Provider will use due diligence to expand or modify its Distribution System to provide the requested Distribution Service, provided the Distribution Customer agrees to compensate the Distribution Provider for such costs pursuant to the terms of Section 23. The Distribution Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Distribution Provider has the right to expand or modify.

13.5 (Not Used)

13.6 (Not Used)

13.7 Deferral of Service

The Distribution Provider may defer providing service until it completes construction of new transmission facilities or Distribution Facilities or upgrades to existing facilities needed to provide Distribution Service whenever the Distribution Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing services.

13.8 Other Distribution Service Schedules

Eligible Customers receiving distribution service under other agreements on file with the Commission may continue to receive distribution service under those agreements until such time as those agreements may be modified by the Commission.

13.9 Real Power Losses

Real Power Losses are associated with all distribution service. The Distribution Provider is not obligated to provide Real Power Losses. The Distribution Customer is responsible for replacing losses associated with all Distribution Service as calculated by the Distribution

Provider. Real Power Losses associated with Distribution Service are calculated by multiplying the metered quantity, whether energy or demand, by the Real Power Loss Factor calculated by the Distribution Provider. The applicable Real Power Loss Factors for Distribution Service over the Distribution System will be set forth in the Service Agreement.

14. Distribution Customer Responsibilities

14.1 Conditions Required of Distribution Customers

Distribution Service shall be provided by the Distribution Provider only if the following conditions are satisfied by the Distribution Customer:

- a. The Distribution Customer has pending a Completed Application for service;
- b. The Distribution Customer meets the creditworthiness criteria set forth in Section 8;
- c. The Distribution Customer can demonstrate that it will have arrangements in place for any other transmission service and ancillary services necessary to effect the delivery from the generating source to the Distribution Provider prior to the time service under this Tariff commences;
- d. The Distribution Customer must satisfy the requirements for ownership or control of Intervening Distribution Facilities as described in Section 14.2;
- e. The Distribution Customer agrees to pay for any facilities constructed and chargeable to such Distribution Customer under this Tariff, whether or not the Distribution Customer takes service for the full term of its reservation; and
- f. The Distribution Customer has executed a Service Agreement or has agreed to receive service pursuant to Section 13.3.

14.2 Intervening Facilities Requirements

All Eligible Customers shall be required to demonstrate bona fide ownership or control of the Intervening Distribution Facilities listed in Section 14.2.1, except in the case where an Eligible Customer meets the criteria for grandfathering in 16 USC § 824k(h)(2) (“Grandfathering”) or obtains a variance in accordance with Section 14.2.1. To the extent that an Eligible Customer intends to invoke this Grandfathering provision, the Eligible Customer must do so as part of its Application and at that time must provide evidence demonstrating that, for each Point of Delivery for which it claims eligibility for Grandfathering, the criteria of 16 USC § 824k(h)(2) are met. An applicant may demonstrate bona fide ownership or control of Intervening Facilities as provided for in Sections 14.2.2 and 14.2.3.

14.2.1 Intervening Facilities

For each of the scenarios described in the chart below, there will be a rebuttable presumption that the Intervening Distribution Facilities identified and associated with each scenario are required for that type of service. Applicants may request a variance from required Intervening Facilities in cases where the facilities are not technically required or otherwise are not appropriate in light of the requested service.

Intervening Facilities	Overhead		Underground	
	Primary	Secondary	Primary	Secondary
Disconnect Switch	Required	Required	Required	Required
Protective Device	Required	Required	Required	Required
Pole	Required	Required	Not Required	Not Required
Transformer	Required*	Not Required	Required*	Not Required
Conductor, Wire, or Service Drop**	Required	Required	Required	Required

* A transformer will not be required if 1) the end-use customer requests a service voltage that is the same as the wholesale service voltage or 2) the transformer is a PG&E owned Direct Assignment Facility and the Distribution Customer contributes or contributed to the cost of such facility (typically in the case of a conversion from existing distribution service that is not provided under this Tariff to Distribution Service provided under this Tariff).

** Examples of the type of wire that will be required are as follows:

- Overhead primary service: the wire from 1) the Current Transformer (CT)/Potential Transformer (PT), or the recloser or other protective device, or the disconnect switch to 2) the point of interconnection with the end-use customer.
- Overhead secondary service: the wire between the pole and the weatherhead.
- Underground to underground primary service: 1) the wire from the CT/PTs, the interruptor or other protective device, or the disconnect switch to 2) the point of interconnection with the end-use customer.
- Underground to underground secondary service: the service entrance conductor.

The definition of Intervening Facilities for purposes of determining Distribution Service eligibility is independent from and does not address the facilities required by PG&E for a safe interconnection. The distribution interconnection agreement, described in Section 12.5, may require that adequate facilities (distinct from Intervening Facilities) be in place to support a safe interconnection in accordance with the Distribution Provider's standards for protection at the point of common coupling, North American Electric Reliability Corporation ("NERC") standards, and Good Utility Practice.

14.2.2 Ownership of Intervening Facilities

An applicant for Distribution Service may demonstrate bona fide ownership of facilities by including in its Application documentation demonstrating ownership or anticipated ownership in advance of initiation of service. Such documentation shall be sufficient if it includes a copy of a paid invoice, purchase order, work order, or construction or other agreement indicating ownership or the intended owner, or a similar document. Any portions of such documents that are not relevant to demonstrating the applicant's ownership may be redacted by the applicant. If, after a reasonable, good faith attempt to locate such documentation, the applicant finds that no such documentation exists, an applicant may demonstrate ownership of facilities with a sworn statement by an officer or executive of the applicant identifying the relevant facilities, affirming that they are owned by the applicant and describing the basis for this affirmation.

14.2.3 Control of Intervening Facilities

An applicant for Distribution Service may demonstrate bona fide control of facilities by including in its Application documentation demonstrating control or anticipated control in advance of initiation of service. Such documentation shall be sufficient if it includes a) a copy of an agreement with the owner(s) of the facilities showing that the applicant has, or upon initiation of service will have, the right to use the capacity of the facilities needed to deliver electric energy to the customer(s) of the applicant, or b) a copy of a lease, operating or other agreement between the applicant and the owner(s) of the facilities showing that the applicant has, or prior to initiation of service will have, the right to perform, or compel the performance of, all actions and functions necessary to deliver energy to its customer(s) and ensure the facilities are operated, maintained, and repaired in accordance with all applicable laws and regulations and Good Utility Practice. Any portions of the documents that are not relevant to demonstrating the applicant's rights as described above may be redacted by the applicant. If, after a reasonable, good faith attempt to locate such documentation, the applicant finds that no such documentation exists, an applicant may demonstrate control of facilities with a sworn statement by an officer or executive of the applicant identifying the relevant facilities, affirming that they are controlled by the applicant, and describing the basis for this affirmation and the manner in which the applicant controls the facilities.

14.3 Responsibility for Third-Party Arrangements

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Distribution Customer requesting service. The Distribution Customer shall provide, unless waived by the Distribution Provider, notification to the Distribution Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Distribution Provider pursuant to this Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Distribution Provider will undertake reasonable efforts to assist the Distribution Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

15. Procedures for Arranging Distribution Service

Interconnection: An Eligible Customer requesting interconnection of a Wholesale Distribution Load to the Distribution Provider's Distribution System shall follow the procedures set forth in Section 15.1 to request interconnection and Distribution Service. After the effective date of Attachment I, Generator Interconnection Procedures (GIP), an Eligible Customer requesting interconnection of a generating facility shall follow the GIP set forth in Attachment I to request interconnection at the same time the Distribution Provider shall process such requests concurrently in accordance with the GIP. Prior to the effective date of Attachment I, GIP, an Eligible Customer requesting interconnection of a generating facility no larger than 20 MW to the Distribution Provider's Distribution System shall follow the Small Generator Interconnection Procedures (SGIP) set forth in Attachment E to request interconnection at the same time the Distribution Provider shall process such requests concurrently in accordance with the SGIP. Prior to the effective date of Attachment I, GIP, an Eligible Customer requesting interconnection of a generating facility larger than 20 MW to the Distribution Provider's Distribution System shall follow the Large Generator Interconnection Procedures (LGIP) set forth in Attachment G to request interconnection at the same time the Distribution Provider shall process such requests concurrently in accordance with the LGIP.

15.1 Application

An applicant requesting Distribution Service must submit a written Application to: Pacific Gas and Electric Company, Manager, Electric Transmission Contract Management, Mailcode B13L, P.O. Box 77000, San Francisco, CA 94177, or to the electronic mail address: WDTLoadApplication@pge.com. These methods will provide a date-stamped record for establishing the priority of the Application. The Distribution Provider shall treat all information provided by the Eligible Customer consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

15.2 Completed Application

An Application will be considered complete and valid when all items listed below that are required for an Application, including the service initiation fee described in Section 15.3, have been received by the Distribution Provider and deemed valid by Distribution Provider.

A Completed Application shall provide all applicable information required to evaluate a request for Distribution Service including but not limited to the following:

- (i) The identity, address, telephone number, email address and facsimile number of the entity requesting service;
- (ii) A statement demonstrating that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Distribution Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party, including all Distribution Customer load characteristic data appearing in the Specifications for Distribution Service in the pro forma Service Agreement;
- (vii) The Service Commencement Date and, if applicable, the term of the requested Distribution Service;

- (viii) The distribution capacity requested for each Point of Receipt and each Point of Delivery on the Distribution Provider's Distribution System; and
- (ix) A detailed engineering description, including a single line diagram that depicts the Intervening Facilities the Distribution Customer will own or control or (if Intervening Facilities are not required) the Distribution Customer-owned facilities to which the Distribution Provider's system will interconnect down to the metering before the main service disconnect. In addition, and unless a Point of Delivery is exempt from ownership or control of Intervening Distribution Facilities pursuant to Section 14.2.1, the Completed Application shall also include a demonstration of bona fide ownership or control of such facilities as provided for in Section 14.2.2 or Section 14.2.3.

The Distribution Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

15.3 Service Initiation Fee

A Completed Application for Distribution Service also shall include a service initiation fee of three month's estimated charges for Distribution Service. Distribution Service to Wholesale Distribution Loads and Resources that have, prior to the effective date of this Tariff, received wholesale service over distribution facilities subject to this Tariff shall be exempted from tariff provisions requiring submission of a service initiation fee prior to receipt of service. This exemption shall not apply, however, to the extent that the Wholesale Distribution Loads and Resources whose service is to be continued require new or additional service. If the Application is rejected by the Distribution Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said service initiation fee shall be returned with interest less any reasonable costs incurred by the Distribution Provider in connection with the review of the losing bidder's Application. Distribution Provider will credit the service initiation fee, with interest, to the Distribution Customer's account once the Distribution Customer begins taking Distribution Service. The service initiation fee also will be returned with interest, less any reasonable costs

incurred by the Distribution Provider, if the Distribution Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn by the Distribution Customer or the Eligible Customer decides not to enter into a Service Agreement for Distribution Service, the service initiation fee shall be refunded, with interest, less reasonable costs incurred by the Distribution Provider to the extent such costs have not already been recovered by the Distribution Provider from the Eligible Customer. Service initiation fees associated with construction of new facilities are subject to the provisions of Section 16, Additional Study Procedures for Distribution Service Requests.

The service initiation fee will reserve the Distribution Customer's requested capacity for a period of two years after the effective date of the Service Agreement. If after two years, the Distribution Customer has not taken Distribution Service under the Service Agreement, the Distribution Customer may initiate the provisions of Section 15.7, Extensions for Commencement of Service, and forfeit the service initiation fee. If the Distribution Customer elects not to initiate the provisions of Section 15.7, the Distribution Provider will consider the Customer's Application withdrawn, the service initiation fee shall be returned to the Distribution Customer (less any costs reasonably incurred), and the Distribution Provider shall take action to terminate the Service Agreement.

15.4 Response to an Application

Within fifteen (15) calendar days of the receipt of an Application, the Distribution Provider shall notify the applicant whether the Distribution Provider considers the applicant an Eligible Customer under Section 2.16 and whether the Application has been deemed complete. The Distribution Provider shall not deem an Application incomplete on the grounds that the Distribution Provider does not believe sufficient evidence of Grandfathering, Intervening Facilities, or ownership or control of Intervening Facilities has been provided to demonstrate that the Commission would not be prohibited by Section 212(h)(2)(B) of the Federal Power Act from ordering the requested service, but instead will allow such issues to be resolved pursuant to the dispute resolution process in Section 15.5.1. If an Application fails to meet the requirements of this Tariff on grounds other than sufficient evidence of Grandfathering, Intervening Facilities, or ownership or control of Intervening Facilities, the Distribution Provider shall deem the

Application incomplete and shall, in its notification, set forth the nature of the deficiencies of the Application. The Distribution Provider's notification shall identify which requirements for a Completed Application under Section 15.2 are incomplete. The Distribution Provider may attempt to remedy minor deficiencies in the Application through informal communications with the applicant. The applicant may then submit additional material or information to the Distribution Provider. Within fifteen (15) calendar days of receipt of any additional material or information, the Distribution Provider shall notify the applicant to advise whether the Application has been deemed Complete. If the Distribution Provider still deems the Application incomplete, the Distribution Provider shall identify the missing information or deficiency in the Application. If forty-five (45) calendar days pass after receiving notification that its Application is incomplete and receiving identification of the missing items or materials and the applicant has made no visible effort to provide the missing materials, the Distribution Provider shall treat the Application as withdrawn, and shall return the service initiation fee less reasonable costs incurred by the Distribution Provider, with interest. Upon receipt of a new or revised Application that the Distribution Provider deems complete, the Application shall be assigned a new priority consistent with the date that the new or revised Application was deemed complete.

15.5 Response to a Completed Application

Following a determination of the Distribution Provider that an Application is complete, the Distribution Provider shall make a determination of available distribution capability as required in Section 13.2, Determination of Available Distribution Capability. The Distribution Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date the Eligible Customer is notified that the Application is complete either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 15. Responses by the Distribution Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

15.5.1 Rejection of a Point of Delivery Related to Grandfathering or Intervening Facilities

If the Distribution Provider rejects service to any Point of Delivery on an applicant's Completed Application on grounds that the Commission would be prohibited by Section 212(h)(2)(B) of the Federal Power Act from ordering the requested service, the Distribution Provider shall notify the Eligible Customer and specify one or more of the following reasons for the rejection: (1) it disputes that the Point of Delivery qualifies for Grandfathering treatment; (2) it challenges the sufficiency of Intervening Facilities; or (3) it disputes that the Eligible Customer has adequately shown ownership or control of Intervening Facilities. As appropriate, the Distribution Provider's notification shall set forth the specific corrections or additional information it requires in order for such Point(s) of Delivery to qualify for Distribution Service under this Tariff.

At any time after the Eligible Customer receives the Distribution Provider's notification of the Distribution Provider's position that any of the Points of Delivery in the Completed Application do not qualify for service under Section 212(h)(2)(B), the Eligible Customer may dispute such position by formally requesting, in writing, that the matter be referred to dispute resolution under this Section 15.5.1. All other disputes shall be directed to Section 9, Dispute Resolution Procedures.

The existence of a pending dispute shall not delay or otherwise affect the Distribution Provider's processing of the Application. Until a final resolution of the dispute is reached, Distribution Provider's processing of the Application shall proceed as if the dispute did not exist.

15.5.1.1 Resolution Process For Disputes Related to Grandfathering or Intervening Facilities

Unless the Eligible Customer opts for an expedited dispute resolution process as provided in Section 15.5.1.2, within forty-five (45) days from the Eligible Customer's written request for dispute resolution, the Distribution Provider and the Eligible Customer shall attempt to resolve such dispute(s) by referring the dispute(s) to their respective designated senior representatives, who shall meet at least one time within that forty-five (45) day period. At any time after expiration of that forty-five (45) day period, the Eligible Customer may provide written

notification directing the Distribution Provider to file with the Commission, within ninety (90) days, an unexecuted Service Agreement containing the terms and conditions that the Distribution Provider contends are appropriate for Distribution Service under this Tariff.

The Distribution Provider may invoice the Eligible Customer its estimated costs to prepare the exhibits of the unexecuted Service Agreement upon receipt of a written request by the Eligible Customer to file an unexecuted Service Agreement as described above. In order for the Distribution Provider to proceed with preparation of an unexecuted Service Agreement, the Eligible Customer shall advance such estimated costs within five (5) business days of receipt of the invoice.

15.5.1.2 Expedited Resolution Process For Disputes Related to Grandfathering and Intervening Facilities

If the Eligible Customer opts for an expedited dispute resolution process, the Eligible Customer shall offer, in writing, to pay the estimated costs of the Distribution Provider to prepare the exhibits of the unexecuted Service Agreement at the time the Eligible Customer submits its written request for dispute resolution. In order for the Distribution Provider to proceed with preparation of an unexecuted Service Agreement, the Eligible Customer shall advance such estimated costs within five (5) business days of receipt of an invoice for them. Upon receipt of payment, the Distribution Provider shall proceed immediately with the preparation of the exhibits for the unexecuted Service Agreement, prior to receiving a written request by the Eligible Customer to the Distribution Provider to file such unexecuted Service Agreement. Within forty-five (45) days from the Eligible Customer's written request for dispute resolution, the Distribution Provider and the Eligible Customer shall attempt to resolve such dispute(s) by referring the dispute(s) to their respective designated senior representatives, who shall meet at least one time within that forty-five (45) day period. At any time after expiration of that forty-five (45) day period, the Eligible Customer may provide written notification directing PG&E to file with the Commission within forty-five (45) days an unexecuted Service Agreement containing the terms and conditions that PG&E contends are appropriate for service.

**15.5.1.3 Filing and True-up under the Resolution Process For Disputes
Related to Grandfathering and Intervening Facilities**

The Distribution Provider shall true up the difference between the advance and actual costs of preparing the exhibits within one hundred twenty (120) days of the earlier of the conclusion of any dispute resolution process or the withdrawal or termination of the application. If the estimated costs exceed the actual costs, the Distribution Provider shall refund the unused portion of the advance, with interest, to the Eligible Customer. If the actual costs exceed the estimated costs, the Distribution Provider shall invoice the Eligible Customer for the difference, with interest, and the Eligible Customer shall pay such invoice within thirty (30) days.

Prior to filing an unexecuted Service Agreement, the Distribution Provider and the Eligible Customer shall use best efforts to mutually determine whether to begin construction of any new facilities required by the draft unexecuted Service Agreement for interconnection. If the Distribution Provider and Eligible Customer disagree, the Eligible Customer may, in order to ensure service to the relevant Point of Delivery during the pendency of the dispute, elect to 1) direct PG&E to construct any facilities PG&E included in the unexecuted Service Agreement that the agreement requires PG&E to put into place, subject to payment by the Eligible Customer of the applicable charges set forth in the unexecuted Service Agreement, and 2) construct an intervening facility at its cost. In such a circumstance, the Distribution Provider and the Eligible Customer agree that each party retains its respective rights to petition the Commission for any available relief, including but not limited to, any restitution by the Distribution Provider to the Eligible Customer relating to facilities installed by or for the Eligible Customer, or, subject to any limitations on the Commission's jurisdiction, a Commission directive conditioning Distribution Service on the Eligible Customer's agreement to deed any constructed facilities to the Distribution Provider.

15.6 Execution of Service Agreement

Whenever the Distribution Provider determines that a System Impact Study is not required and that the service can be provided, it shall send the Eligible Customer a draft Service Agreement as soon as practicable but no later than ninety (90) calendar days after the Customer is notified that the Application is complete. Where a System Impact Study, or a System Impact

Study and a Facilities Study, is required, the provisions of Section 16 will govern the execution of a Service Agreement. Unless the Eligible Customer is engaged in good-faith negotiations to make changes to the draft Service Agreement, failure of an Eligible Customer to execute and return an execution-ready Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 13.3, within fifteen (15) calendar days after it is tendered by the Distribution Provider will be deemed a withdrawal and termination of the Application and the service initiation fee shall be refunded with interest, less reasonable costs incurred by the Distribution Provider to the extent such costs have not already been recovered by the Distribution Provider from the Eligible Customer. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

15.7 Extensions for Commencement of Service

The Distribution Customer can obtain up to two (2) two-year extensions for the commencement of service plus an additional one-year extension provided that the customer (a) pays an extension fee equal to the service initiation fee for Distribution Service discussed in Section 15.3 in advance of each extension period and (b) commences construction on the project prior to the start of the final one-year extension period. The Distribution Provider shall invoice the Distribution Customer for a further extension fee sixty (60) days prior to expiration of each pre-service term. To extend the pre-service term, the customer must pay its extension fee within thirty (30) days of receipt of the invoice.

If the Distribution Customer commences service during the extension period for which an extension fee was paid, the extension fee shall be applied to the Distribution Customer's invoices for Distribution Service. If the Distribution Customer fails to commence service during the extension period for which an extension fee was paid, and such failure is not due to a delay of the Distribution Provider, the extension fee will be forfeited at the end of the extension period.

During the entire extension period, payment of the extension fee obviates the need for further System Impact or Facilities Studies and the Distribution Provider shall honor the filed Service Agreement with respect to the Direct Assignment Facilities or Distribution Upgrades (listed in Exhibit B of the Service Agreement). Consistent with Exhibit B of the Service

Agreement, the Distribution Customer must pay the Distribution Provider's actual costs at the time the facilities are constructed. However, if during an extension period a regulatory agency with jurisdiction, including but not limited to, the ISO, the NERC, or the Western Electricity Coordinating Council, imposes a new regulatory or operational requirement that results in the need for additional Direct Assignment Facilities or Distribution Upgrades, the Distribution Customer will be responsible for the actual costs of such additional facilities, provided that, prior to constructing such additional facilities, the Distribution Provider must notify the Distribution Customer of the need for the additional facilities and the basis for such need, and must tender a revised Service Agreement, incorporating the additional facilities, to the Distribution Customer.

The Distribution Provider may determine to build Direct Assignment Facilities or Distribution Upgrades other than the facilities listed in Exhibit B of the Service Agreement. In such case, the Distribution Customer's costs for Direct Assignment Facilities and Distribution Upgrades (the Installation Charge) shall be capped at the reasonably estimated costs to construct the Direct Assignment Facilities and Distribution Upgrades listed in Exhibit B of the filed Service Agreement, at the time that the Distribution Provider constructs the facilities.

If a Distribution Customer notifies the Distribution Provider of its new (actual) service commencement date one year before such date, the Distribution Provider will promptly schedule construction of the associated Direct Assignment Facilities and Distribution Upgrades with an intended completion date on or before the new service commencement date. The Distribution Provider will make best efforts to complete the construction of the facilities no later than the new commencement date.

If after a total of seven years the Distribution Customer has not commenced service, PG&E may begin the process to terminate the Service Agreement. Termination of a Service Agreement will not limit a Distribution Customer's ability to reapply for service at the same location. However, the Distribution Customer must submit a new application and the Distribution Provider may require additional studies at the Distribution Customer's expense.

16. Additional Study Procedures For Distribution Service

16.1 Notice of Need for System Impact Study

After receiving a request for service, the Distribution Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Distribution Provider's methodology for completing a System Impact Study is provided in Attachment C. If the Distribution Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Distribution Provider shall within thirty (30) calendar days of notifying the Customer that its Application is deemed complete, tender a draft System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Distribution Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Distribution Provider within fifteen (15) calendar days. Alternatively, if the Eligible Customer requests the Distribution Provider to proceed with the System Impact Study and commits to abide by the terms, conditions, and cost assignments ultimately determined under the Dispute Resolution Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the System Impact Study, and the parties shall submit the disputed terms for resolution under the Dispute Resolution Procedures. If the Eligible Customer elects not to execute the System Impact Study Agreement and does not request a study, its application shall be deemed withdrawn and its service initiation fee, pursuant to Section 15.3, shall be returned with interest, less reasonable costs incurred by the Distribution Provider.

16.2 System Impact Study Agreement and Cost Reimbursement

- (i) The System Impact Study Agreement will clearly specify the Distribution Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Distribution Provider shall rely, to the extent reasonably practicable, on existing studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer

will be responsible for charges associated with any modifications to existing studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Distribution Provider's Facilities.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study should be sufficient for the Distribution Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) Accounting for the Distribution Provider's Study Costs and Revenues: The Distribution Provider shall include in a separate transmission or distribution operating expense account or subaccount, as appropriate, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Distribution Provider conducts to determine if it must construct Distribution System facilities or upgrades necessary for its own uses under this Tariff, including making third-party sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Distribution Customer's billing under the Tariff.

16.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Distribution Provider will use due diligence to complete the required System Impact Study within a sixty (60) calendar day period. The System Impact Study shall identify any distribution system constraints and redispatch options, additional Direct Assignment Facilities or upgrades required to provide the requested service. In the event that the Distribution Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be sent to the Eligible Customer upon completion of the System

Impact Study by the Distribution Provider. The Distribution Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Distribution Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Distribution Facilities will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new Distribution Facilities or upgrades to existing facilities. If the Distribution Provider determines that a Facilities Study is not required, the Distribution Provider shall send the Eligible Customer a draft Service Agreement as soon as practicable, but no later than thirty (30) calendar days after the completed System Impact Study has been sent to the Eligible Customer. In order for a request to remain a Completed Application, within fifteen (15) calendar days of receipt of the draft Service Agreement, the Eligible Customer must execute the Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 13.3, or the Application shall be deemed terminated and withdrawn and its service initiation fee, pursuant to Section 15.3, shall be returned with interest, less reasonable costs incurred by the Distribution Provider.

16.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Distribution Facilities are needed to supply the Eligible Customer's service request, the Distribution Provider, within thirty (30) calendar days of the completion of the System Impact Study, shall tender to the Eligible Customer a draft Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Distribution Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Distribution Provider within fifteen (15) calendar days. Alternatively, if the Eligible Customer requests the Distribution Provider to proceed with the Facilities Study and commits to abide by the terms, conditions, and cost assignments ultimately determined under the Dispute Resolution Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Distribution Provider shall promptly proceed with the Facilities Study, and the parties shall submit the disputed terms for resolution under the Dispute Resolution Procedures. If the Eligible Customer

elects not to execute the Facilities Study Agreement and does not request a study, its application shall be deemed withdrawn and its service initiation fee, pursuant to Section 15.3, shall be returned with interest, less reasonable costs incurred by the Distribution Provider. Upon receipt of an executed Facilities Study Agreement, the Distribution Provider will use due diligence to complete the required Facilities Study within a sixty (60) calendar day period. If the Distribution Provider is unable to complete the Facilities Study in the allotted time period, the Distribution Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. A copy of the completed Facilities Study and related work papers shall be sent to the Eligible Customer upon completion of the Facilities Study by the Distribution Provider. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required upgrades as determined pursuant to the provisions of this Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Distribution Provider with a letter of credit or other reasonable form of security acceptable to the Distribution Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Distribution Provider shall send the Eligible Customer a draft Service Agreement as soon as practicable, but no later than thirty (30) calendar days after the completed Facilities Study has been sent to the Eligible Customer. The Eligible Customer shall have thirty (30) calendar days to execute a Service Agreement or request the filing of an unexecuted Service Agreement in accordance with Section 13.3 and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn and the service initiation fee, pursuant to Section 15.3, shall be returned with interest, less reasonable costs incurred by the Distribution Provider.

16.5 Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the

completion of construction or other circumstances beyond the control of the Distribution Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Eligible Customer pursuant to the provisions of this Tariff.

16.6 (Not Used)

16.7 Due Diligence in Completing New Facilities

The Distribution Provider shall use due diligence to add necessary facilities or upgrade its Distribution Facilities within a reasonable time. The Distribution Provider will not upgrade its existing or planned Distribution System in order to provide the requested Distribution Service if doing so would impair system reliability or otherwise impair or degrade existing service.

16.8 Partial Interim Service

If the Distribution Provider determines that it will not have adequate distribution capability to satisfy the full amount of a Completed Application for Distribution Service, the Distribution Provider nonetheless shall be obligated to offer and provide the portion of the requested Distribution Service that can be accommodated without addition of any facilities and through redispatch. However, the Distribution Provider shall not be obligated to provide the incremental amount of requested Distribution Service that requires the addition of facilities or upgrades to the Distribution Facilities until such facilities or upgrades have been placed in service.

16.9 Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Distribution Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Distribution Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Distribution

Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Distribution Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn and the service initiation fee, pursuant to Section 15.3, shall be returned with interest, less reasonable costs incurred by the Distribution Provider.

17. If Distribution Provider Cannot Complete New Facilities

17.1 Delays in Construction of New Facilities

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Distribution Provider shall promptly notify the Distribution Customer. In such circumstances, the Distribution Provider shall within thirty (30) days of notifying the Distribution Customer of such delays, convene a technical meeting with the Distribution Customer to evaluate the alternatives available to the Distribution Customer. The Distribution Provider also shall make available to the Distribution Customer studies and work papers related to the delay, including all information that is in the possession of the Distribution Provider that is reasonably needed by the Distribution Customer to evaluate any alternatives.

17.2 Alternatives to the Original Facility Additions

When the review process of Section 17.1 determines that one or more alternatives exist to the originally planned construction project, the Distribution Provider shall present such alternatives for consideration by the Distribution Customer. If, upon review of any alternatives, the Distribution Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Distribution Provider to submit a revised Service Agreement for Distribution Service. In the event the Distribution Provider concludes that no reasonable alternative exists and the Distribution Customer disagrees, the Distribution Customer may seek relief under the dispute resolution procedures pursuant to Section 9, Dispute Resolution Procedures, or it may refer the dispute to the Commission for resolution.

17.3 Refund Obligation for Unfinished Facility Additions

If the Distribution Provider and the Distribution Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of this Tariff, the obligation to provide the requested Distribution Service shall terminate and the service initiation fee shall be returned to the Distribution Customer, with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Distribution Customer shall be responsible for all prudently incurred costs by the Distribution Provider through the time construction was suspended.

18. (Not Used)

19. Changes in Service Specifications

The distribution system may be highly integrated, particularly in densely populated areas, such that rerouting of power may occur annually, or even seasonally, usually in order to maximize the efficiency of the Distribution System. The delivery of power to the Distribution Customer is designed so that the rerouting is transparent to the Distribution Customer. As a result, the Distribution Provider may elect a different path to supply the Distribution Customer after service is established without any notice requirements, although the specified Point of Delivery is not changed.

Any request by a Distribution Customer to modify Receipt and Delivery Points shall be treated as a new request for service in accordance with Section 15, Procedures for Arranging Distribution Service, thereof, except that such Distribution Customer shall not be obligated to pay any additional service initiation fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Distribution Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

20. Metering and Power Factor Correction

20.1 Metering and Communications Equipment

As it pertains to loads, and unless the Distribution Customer desires to install and maintain its own revenue meters and communications equipment and coordinates in advance with the Distribution Provider, the Distribution Provider shall be responsible for installing, maintaining and owning the revenue meters and communications equipment at each Point of Delivery to account for the capacity and energy being transmitted under this Tariff and to communicate the information to the Distribution Provider. The revenue meter shall record real and reactive power delivered to the Distribution Customer each half-hour on an integrated demand basis. The meters shall be capable of measuring flows both "in" and "out" (watts and VARs), which is consistent with the requirements in ISO's Metering Business Practice Manual, shall be designed to prevent reverse registration, and shall measure and continuously record such deliveries. Current metering is solid state (Quad 4+) with dial-in access consistent with the MV-90 addressable metering protocol, or successor protocol set forth in the ISO Tariff as it may change from time to time. A Distribution Customer may request a variance of the standard metering requirements if the physical characteristics of a particular Point of Delivery make installation of standard metering impractical, provided that the parties reach agreement on mutually acceptable means for providing each other with meter data for billing and settlement purposes. As it pertains to Generation, metering and other requirements are listed in the PG&E Interconnection Handbook or its successor.

20.2 Access to Metering Data

Prior to initiation of Distribution Service, the Distribution Provider and the Distribution Customer must agree on a process for making meter data, including the output from each individual meter, available to one another. The Distribution Customer shall have access to metering data, and shall have reasonable access to install any recording devices or telemetering equipment it may require connected to the Distribution Provider-owned revenue meter. For a fee that covers the Distribution Provider's costs to program the meter, meters owned by the Distribution Provider can be configured to allow dial-in access by the Distribution Customer, if applicable. Meters owned by the Distribution Customer must allow dial-in access by the

Distribution Provider or the Distribution Customer shall provide 4-channel, settlement quality meter data with meter reads for each half hour on an integrated demand basis.

20.3 Distribution Customer Obligations

The Distribution Customer shall provide mounting devices, structures, and enclosures, as specified by the Distribution Provider for such metering. If the Distribution Provider owns a meter and associated communication equipment, the Distribution Customer shall grant the Distribution Provider such access to facilities as may be required for proper operation and maintenance of all revenue metering equipment.

20.4 Power Factor

Unless otherwise agreed, the Distribution Customer is required to maintain a power factor within the same range as the Distribution Provider in the same area pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

21. Compensation for Distribution Service

Rates for Distribution Service are provided in the Schedule WD-1 appended to this Tariff.

Rates for Distribution Service associated with Generation will be determined from any Direct Assignment Facilities and any distribution system upgrades required to provide service pursuant to Section 16. This applies to those facilities required to transport Generation output to the ISO grid. For Direct Assignment Facilities and distribution system upgrade facilities, the annual revenue requirement will be determined from the current test year to the extent possible pursuant to applicable Commission regulations, for the cost of such facilities. The monthly charge shall be established by dividing that amount by twelve (12) months.

For use of existing Distribution Facilities that are not a part of direct assignment or distribution system upgrades, no charges will be assessed.

22. Stranded Cost Recovery

The Distribution Provider may seek to recover stranded costs from the Distribution Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888 and FERC Order No. 888-A. However, the Distribution Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

23. Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Distribution Provider in connection with the provision of Distribution Service identifies the need for new facilities, the Distribution Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Distribution Provider identifies capacity constraints that may be relieved more economically by redispatching the Distribution Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Distribution Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

24. Standards of Conduct

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and will be followed to the extent applicable.

SCHEDULE WD-1: Distribution Service

The Distribution Customer shall compensate the Distribution Provider each month for Reserved Capacity, based on actual use, at the sum of the applicable charges set forth below.

Nothing contained herein shall be construed as affecting in any way the respective rights of the Distribution Provider or the Distribution Customer under this Schedule WD-1 unilaterally to make application to the Commission for a change in rates, charges or rate methodologies pursuant to the various sections of this Tariff. The rates and methods for calculating payments due in this Schedule WD-1 shall remain in effect and unchanged until the earlier of: (a) the Commission accepting a Distribution Provider or Distribution Customer filing to supersede those rates and methods for calculating payments due; or (b) the termination of the Service Agreement; and shall not otherwise be subject to change.

The components of the monthly service bill, excluding any System Impact Studies, Facilities Studies or other specified charges, shall include the following components:

<u>Cost Component</u>	<u>Billing Units</u>
1 Customer Service Charge : (see Item 1 below)	flat monthly
2 Distribution Service Charge : (see Item 2 below)	case specific
3 Cost of Ownership : (see Item 3 below)	case specific

These Cost Components are described more fully below.

1. CUSTOMER SERVICE CHARGE

A Distribution Customer Service Charge of a fixed amount per month, shall be assessed to reimburse the Distribution Provider for its costs of labor and supervision for billing services which it provides to the Distribution Customer for each specified Service Point of Delivery,

including, among other things, accounting for reactive power and distribution facilities usage as provided in this Tariff. An individual special study may be required to determine this amount. The Customer Service Charge is to be the product of the estimated average monthly labor in hours and the hourly rate of \$111.50. The labor required will vary with the specific services required. This amount is to be determined and included in the Service Agreement.

2. DISTRIBUTION SERVICE CHARGE

The Distribution Provider shall charge the Distribution Customer for its use of the Distribution Provider's Distribution Facilities in accordance with Rate Schedule WD-1 (Wholesale Distribution Service).

This rate is based on the Distribution Customer's use of the serving Distribution Facilities and the applicable system average rate. Where (1) the point of interconnection of the Direct Assignment Facilities to PG&E's Distribution system is at primary voltage and (2) the PG&E-owned secondary facilities are all Direct Assignment Facilities, i.e., for the sole use and benefit of the Distribution Customer, the service shall be primary service. The billing determinant is determined as Metered Quantities plus applicable Distribution Losses. The monthly charge is calculated as the product of the Distribution Customer's primary distribution rate, and secondary if applicable, and the Distribution Customer's billing determinants for primary and secondary, if applicable, at that location. The billing determinant is to include load plus system average losses.

This rate is based on a Distribution Customer's revenue requirement which is the product of the Primary Distribution Revenue Requirement and the Distribution Customer's primary distribution load ratio [which is the ratio of the Distribution Customer's maximum primary annual peak demand shown on a coincident peak basis if more than one primary load point, to all retail customer classes' peak demands plus each wholesale customer's peak demand (also shown on a coincident peak basis if more than one load point) to get the customer's Load Ratio Share]. This Distribution Customer revenue requirement is then divided by the Distribution Customer billing determinants, which includes system average losses, to yield the Distribution Customer's primary distribution rate; plus if applicable, the product of the total Secondary Distribution Revenue Requirement and the Distribution Customer's secondary distribution load ratio. This

ratio is the ratio of the sum of the Distribution Customer's maximum annual peak demand for each secondary load point to the sum of all retail customers' peak demands for each secondary load point plus the sum of each Distribution Customer's peak demand for each secondary load point. This Distribution Customer revenue requirement is then divided by the Distribution Customer billing determinants which includes system average losses, to yield the Distribution Customer's secondary distribution rate.

For purposes of initially billing the Distribution Customer, the following calculated service rate is used until a later determination of more customer-specific rates can be completed and filed. This determination will be filed at FERC (along with a customer-specific Service Agreement) within thirty (30) calendar days of the date Distribution Service becomes effective. A true-up, with interest calculated pursuant to 18 C.F.R. § 35.19a, will be made between the FERC-accepted customer-specific rate and the generic rate once the rate or rates are accepted by FERC.

For this initial billing, the rates are based on the allocated cost of all Distribution Customers with customer-specific demand rates. For primary and secondary distribution, the generic rate is \$5.728 and \$9.813 per kW-month respectively.

3. COST OF OWNERSHIP CHARGE

The Cost of Ownership reflects the Distribution Provider's on-going cost liabilities of owning and operating Direct Assignment Facilities, including such items as maintenance costs, replacement costs (due to age and normal life and deterioration), and ad valorem taxes. The Cost of Ownership charge is the product of the actual installation costs, which include facilities installed by the Distribution Provider plus facilities installed by the Distribution Customer or others, if any, that are deeded to the Distribution Provider, and the monthly Cost of Ownership rate of 0.48%. An estimate of the specific Cost of Ownership charge will be determined by the Distribution Provider and included in the Service Agreement. The Cost of Ownership charge will be trued-up to the actual installation costs upon the Distribution Provider's completion of the facilities required to provide Distribution Service to the Distribution Customer.

ATTACHMENT A:
Form Of Service Agreement For Wholesale Distribution Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the “Distribution Provider”), and _____ (“Distribution Customer”).
- 2.0 The Distribution Customer has been determined by the Distribution Provider to be an Eligible Customer and to have a Completed Application for Distribution Service under the Wholesale Distribution Tariff.
- 3.0 The Distribution Customer has provided to the Distribution Provider a service initiation fee in accordance with the provisions of Section 15.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate in accordance with Section 12.2 of the Tariff or on such date as mutually agreed upon by the parties.
- 5.0 The Distribution Provider agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Distribution Provider:

Distribution Customer:

7.0 The Tariff and the attached Specifications For Distribution Service and Exhibits are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Distribution Provider:

By: _____
Name Title Date

Distribution Customer:

By: _____
Name Title Date

**Specifications For
Distribution Service**

- 1.0 Term of Transaction: _____
- Start Date: _____
- Termination Date (if the Distribution Customer opts for a term other than the standard term): _____
- 2.0 Description of capacity and energy to be transmitted by Distribution Provider including the electric Control Area in which the transaction originates.
- _____
- 3.0 Point(s) of Receipt : _____
- Delivery Party: _____
- Delivery voltage: _____
- 4.0 Point(s) of Delivery: _____
- Receiving Party: _____
- Delivery voltage: _____
- 5.0 The estimated peak load:
- _____
- 6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

6.1 Distribution Charge:

6.2 System Impact and/or Facilities Study Charge(s):

6.3 Direct Assignment Facilities Charge:

6.4 Cost of Ownership Charge:

6.5 Customer Service Charge:

Average monthly labor hours for Accounting and Billing is _____ Employee Hours
times the Average Hourly rate for labor and supervision is \$ _____ /Employee Hour
equals the Customer Service Charge of \$ _____.

7.0 Distribution Customer's Service Data

The Distribution Customer has requested this service to supply their wholesale power requirements as described:

_____ load (load type)

Estimated load is _____ MW monthly peak demand, Summer

Estimated load is _____ MW monthly peak demand, Winter

Include hourly demand profile for the peak Summer day and peak Winter day.

Interconnection Point: _____

Interconnection to Distribution Customer

From: _____

To: _____

Describe and attach a sketch. Delivery Voltage

Delivery Point: if other than to Distribution Customer

Name of Receiving entity _____

Point of Delivery (description) _____

Power Factor data: Base PF ____% Corrected PF ____%

Load Factor: Peak Month, monthly LF. ____%

Average annual LF. ____%

Monthly consumption, kWh(@)Peak Demand month ____kwh

Annual consumption, kWh ____kwh

The Distribution Provider's initially required corrected PF (Section ____ of Tariff.)

Peak Load PF _____% @ Specified Time ____

Minimum Load PF _____% @ Specified Time ____

8.0 Limited Waiver

In agreeing to provide Distribution Service under this Distribution Tariff, the Distribution Provider reserves the right to collect competition transition charges (CTCs) for other wholesale loads which may derive in the future from existing retail loads at the Service Point. CTCs shall be collected in the event that, as a result of electric industry restructuring or other changes, a competent regulatory agency or legislative body determines that it is appropriate to promulgate regulations or legislation which entitle the Distribution Provider to collect such charges from the Distribution Customer and similarly situated customers.

9.0 Facilities Required for Distribution Service

The Distribution Provider agrees to provide Distribution Services via its existing Distribution Facilities, with modification as needed, to supply Distribution Customer's load as specified above. In the event it is necessary to extend the Distribution System, with the new installation of facilities, the following describes installation responsibilities:

9.1 Construction Responsibilities of the Distribution Provider

The Distribution Provider shall install the Distribution Facilities needed to interconnect with the Distribution Customer's facilities at the point of interconnection. These facilities include those required related to the Distribution Customer's project, and only those facilities that, in the Distribution Provider's judgment, will be used within a reasonable time to serve permanent load. Such facilities include the installation of conductors, poles, pole risers, switches, devices, and other distribution facilities required to complete the interconnection.

9.2 Construction Responsibilities of Distribution Customer

The Distribution Customer shall perform or arrange for the performance of the following work required for this project:

- × Route clearing, tree trimming, trenching, excavating,
- × backfilling, and compacting;
- × Furnish imported backfill material required and disposal of trench spoil as required;
- × Perform necessary surface repair and boring as required;
- × Furnish, install, and transfer ownership to the Distribution Provider any substructures, conduits, and protective structures required for Direct Assignment Facilities or Distribution Facilities owned by the Distribution Provider that are required to interconnect the Distribution Customer; and
- × Obtain any necessary construction permit for all work performed by Distribution Customer under this Service Agreement.

Description of Distribution Provider-owned Facilities the Distribution Provider is to install, replace, in order to provide the requested Distribution Service:

Description of Direct Assignment Facilities (if any)

10.0 Distribution Customer Payments and Adjustments

10.1 One-Time Payment in Advance of Construction

Distribution Customer shall pay a one-time payment to the Distribution Provider, on demand and in advance of any construction, equal to the total amount shown in Exhibit A - Cost Summary. This cost consists of the following components as determined in the Exhibits:

- × Installation Charge - The Distribution Customer agrees to pay the Distribution Provider's total estimated cost of the facilities to serve the Distribution Customer, less credits, if any, as shown on Exhibit B.
- × ITCC (CIAC) Tax - The Distribution Customer must pay the taxes on such contributions, in addition to any other applicable contributions, such as facilities installed by the Distribution Customer, and deeded to the Distribution Provider. The determination of the tax due is shown on Exhibit C and is \$_____.

10.2 Cost Responsibility for Altered or Rearranged Direct Assignment Facilities and Equitable Adjustments for Connection of Additional Customers

This Section 12.2 shall govern cost responsibility for Direct Assignment Facilities that are to be altered or rearranged. If the Distribution Customer requests alteration or rearrangement of Direct Assignment Facilities, the Distribution Customer shall pay an additional advance and/or rearrangement costs, if any, for any new facilities, plus a revised monthly or equivalent one-time cost of ownership charge. If it becomes necessary for PG&E to alter or rearrange the Direct Assignment Facilities for its own purposes and not at the request of the original Distribution Customer, or if PG&E connects another PG&E customer to the Direct Assignment Facilities, the Distribution Provider shall notify the Distribution Customer, and the Distribution Provider will make an equitable adjustment to the Distribution Customer with respect to the Direct Assignment Facilities. Connection of another customer, including but not limited to another PG&E customer, to a Distribution Customer's Direct Assignment Facilities will not affect the Distribution Customer's eligibility for primary service, as defined in Section 2 of SCHEDULE WD-1.

11.0 Voltage Stability and Interference with Service

Under normal load conditions, the Distribution Provider will deliver sustained voltage as close to the nominal service voltage as is economically practical. Any deviations from the normal voltage levels will be no greater than the service voltage ranges specified in the Distribution Provider's Electric Rule 2 on file with the CPUC. Exceptions to voltage limits are specified also in Electric Rule 2. The Distribution Customer is responsible for planning, designing, operating, and protecting equipment beyond the interconnection point, in such a fashion as to not interfere with service to other customers, as also set forth in Rule 2.

12.0 Power Factor Requirements

12.1 General

Each Eligible Customer must comply with the VAR requirements as specified in the TO Tariff or in their agreement with the ISO. However, in order to meet local distribution operating needs, PG&E may also, consistent with Section 14.2, require that the Distribution Customer maintain specified power factors at peak load and at minimum load. Generally, such power factor may be the same as, but shall not be required to exceed, the power factor PG&E maintains for that particular area. This may require that fixed, and/or switched capacitors, or other power factor correction devices be installed. The power factor target may vary from time to time as area conditions change. PG&E shall provide information to the Eligible Customer about the required power factors and shall include that information in this Service Agreement.

12.2 Power Factor Maintenance and Future Changes in Target Power Factor

Due to changes in system requirements, the necessary power factor may change from time to time. Upon changes in that required power factor after service is established, PG&E shall provide written notice to the Distribution Customer, and provide ample lead time for corrective action by the Distribution Customer to the extent the need for corrective devices is caused by general system requirements or by said Distribution Customer. In the event that the need for correction devices is caused by other customers,

a Distribution Customer need not maintain the power factors at the Interconnection Point, as specified by PG&E, at the Distribution Customer's expense, but PG&E may, at its option, install the necessary distribution capacitors or other power factor correction devices. Costs and payments for such devices will, to the extent applicable, be directly assigned to the Distribution Customer whose load caused the need for the correction devices.

In no event shall a wholesale Distribution Customer be responsible for their reactive requirements (VARs) through the TO Tariff or their ISO agreement and in addition incur responsibility for local distribution power factor correction for the same reactive (VAR) requirements. If local power factor correction is installed at Distribution Customer expense, such reactive support shall be credited to the Distribution Customer's meter readings. (Note: if such installation is on the Distribution Customer's side of the revenue meters, the meter readings already incorporate the correction.)

However, if installation of capacitors is required to correct voltage conditions caused by the Distribution Customer, such installation shall be at the Distribution Customer's expense in accordance with terms of this Tariff, regardless of any other reactive provisions. Such installations may serve to reduce the Distribution Customer's reactive requirements through the ISO.

12.3 Power Factor

The Distribution Provider shall specify a power factor within a bandwidth of 0.95 lagging to 0.95 leading (or, in appropriate circumstances, a less-restrictive bandwidth), and the Distribution Customer will operate at the specified power factor within the following tolerances:

Peak Hours, 12:00 PM to 6:00 PM: ± 0.01

Off-Peak Hours, 6:01 PM to 11:59 AM: ± 0.02

In extraordinary circumstances, a more restrictive bandwidth may be specified. A Distribution Customer must, subject to Sections 14.1 and 14.2, maintain at all times the

required power factor, except to the extent required to provide reactive power support in accordance with Section 12.10, Self Provision of Ancillary Services, of the Tariff. The power factor for the Distribution Customer is_____.

Distribution
Service Agreement
Exhibit A – Cost Summary

Distribution Customer

Project Name and Location

The total Advance Payment required for the above project prior to start of construction is as follows:

×	Installation Charge (From Exhibit B - Installation Charge)	\$ _____
×	ITCC Tax (From Exhibit C - ITCC Tax)	\$ _____
×	Total (Sum of Installation Charge and ITCC Tax)	\$ _____

In addition, an on-going monthly cost of ownership payment for facilities relevant to this project is required. The payment will be due monthly and included in the monthly billing for Distribution Service.

×	Monthly Cost of Ownership (From Exhibit D - Cost of Ownership)	\$ _____/Month
---	---	----------------

Distribution
Service Agreement
Exhibit B – Installation Charge

The following is the Distribution Provider's site-specific estimate (Gross Financial Costs -- labor, material, indirect and overhead cost components) for the facilities required to provide Distribution Service to the above project. It excludes any work on the Distribution Provider's facilities which is done for the convenience of the Distribution Provider, such as work to accommodate future system expansion, or capacity increases. Upon completion of the project, the Distribution Provider shall determine the actual cost of installing facilities and shall provide a final accounting to the Distribution Customer. The Distribution Provider shall invoice or refund the Distribution Customer for the difference between the Advance Payment and actual cost for the facilities, plus interest calculated pursuant to 18 C.F.R. § 35.19a.

Description of facilities to be installed:

- | | | |
|----|--|----------|
| 1. | Distribution System Capacity Increases | \$ _____ |
| | (reconductoring, equipment replacement, rearrangements, to accommodate Distribution Customer's initial load) | |
| 2. | Protection System Modifications | \$ _____ |
| | (installation and reconfiguration of protective devices) | |
| 3. | Power Factor Correction | \$ _____ |
| | (____ KVAR of () Fixed, () Switched Capacitors required to attain ____ % Power Factor) | |

4. Voltage Correction Devices \$ _____
(Installation of regulators, boosters, and capacitors)
5. Primary Extension Estimated Costs \$ _____
(Poles, conductors, other equipment)
6. Revenue Meters \$ _____
(Initial cost to install and the field set up revenue meters, plus the administrative costs of setting up the revenue data retrieval)
7. Telecommunications Facilities \$ _____
(Initial payments to telephone company for the installation of phone lines etc, plus related telecommunications work by the Distribution Provider to establish telecom links. Does not include on-going monthly service charges.)
8. Total Initial Installation Charge \$ _____
(Sum of 1 through 7)

Distribution
Service Agreement
Exhibit C – ITCC Tax

- | | | | |
|----|---|----|--|
| 1. | One-time payment (advance) by Distribution Customer
(From Exhibit B - Installation Charge) | \$ | |
| 2. | Value of trenching and conduits subject to ITCC
(Description of facilities) | \$ | |
| | | | |
| | | | |
| | | | |
| 3. | Other applicable contributions subject to ITCC
(Description) | \$ | |
| | | | |
| 4. | Total taxable amount
(Sum of Items 1 thru 3) | \$ | |
| 5. | Tax Rate | | 34% |
| 6. | Tax Due Tax Rate (line 5) x Taxable Amount (line 4) | = | \$ |

Distribution
Service Agreement
Exhibit D – Cost of Ownership

The Cost of Ownership is the Distribution Provider's on-going cost liabilities of owning and operating facilities, including such items as maintenance costs, replacement costs (due to age and normal life and deterioration), and ad valorem taxes. The Cost of Ownership charge is the product of the actual installation costs, which include facilities installed by the Distribution Provider plus facilities installed by the Distribution Customer or others, if any, that are deeded to the Distribution Provider and the currently effective Cost of Ownership rate. To the extent that the Cost of Ownership in this Exhibit D is based on estimated facilities costs, the Cost of Ownership shall be trued-up to the actual facilities costs once the final accounting of the cost of the facilities has been performed by the Distribution Provider.

1. Cost of Facilities Installed by the Distribution Provider \$ _____
(From line 8 of Exhibit B - Installation Charge)
2. Cost of Facilities Installed by Distribution Customer or Others
and Deeded to the Distribution Provider \$ _____
(Based on Distribution Customer's Gross Financial installed cost)
3. Total Cost Basis (Sum of line 1 and line 2) \$ _____
4. Applicable Cost of Ownership Rate _____ %
(Rate to be determined at time of request)
5. Applicable Monthly Cost of Ownership \$ _____ /month
(line 3 x line 4)

The remaining attachments to the Whole Sale Distribution Tariff, listed below, have been intentionally omitted:

- ATTACHMENT B: Methodology To Assess Available Distribution Capability
- ATTACHMENT C: Methodology for Completing a System Impact Study
- ATTACHMENT D: Wholesale Distribution Losses
- ATTACHMENT E: Small Generator Interconnection Procedures (SGIP)
- ATTACHMENT F: Small Generator Interconnection Agreement (SGIA)
- ATTACHMENT G: Large Generator Interconnection Procedures (LGIP)
- ATTACHMENT H: Large Generator Interconnection Agreement (LGIA)
- ATTACHMENT I: Generator Interconnection Procedures (GIP)